

**MINUTES
REGULAR PENSION BOARD MEETING
CITY OF HOLLYWOOD EMPLOYEES' RETIREMENT FUND
THURSDAY, JUNE 23, 2016**

1. CALL TO ORDER

Chair Shaw called the meeting to order at 9:25 a.m.

2. ROLL CALL AND PLEDGE OF ALLEGIANCE

Board Members present: Chair Phyllis Shaw, Vice-Chair Jeffrey Greene (via telephone), Chris Cassidy, Charles Howell, George Keller, Mel Standley and Richard Templeton (via telephone). Also present: Pension Coordinator Lisa Castronovo, Board Secretary Tammie Hechler and Board Attorney James Linn (Lewis, Longman & Walker).

3. CONSENT AGENDA

- a. May 26, 2016 Regular Meeting Minutes
- b. Excuse Trustee Matlow from May 26, 2016 Regular Board Meeting
- c. Ratification of Distributions (Contributions and DROP) and Plan Expenses
- d. Approval/Ratification of New Retirement/DROP/Vested/Death Annuities

MOTION made by Mr. Templeton, seconded by Mr. Howell, to approve Consent Agenda Items 3.a - d. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

5. INVESTMENT ISSUES (Keith Reynolds) – Taken out of order

a. Flash Performance Review

Mr. Reynolds reported that the Fund's market value was \$292.9 million on May 31, 2016. All asset class allocations relative to their respective target allocations were in line. Mr. Reynolds noted that the domestic equity allocations would decrease somewhat over time as the new investments in alternative assets were funded. In the immediate, \$2 million was being taken from large cap domestic equity manager Northern Trust and used to fund the new private equity investment with Neuberger Berman. The rate of return for the month of May was 0.6% vs. policy index of 0.4% and the rate of return for the fiscal year-to-date was 6.4% vs. policy index of 5.75%.

Mr. Reynolds reported that new alternative investment manager HarbourVest was seeking approval from its investors to amend its limited partnership agreement to increase the maximum size of the Dover IX offering from \$4.25 billion to \$4.75 billion and to reduce the marketing period from June 30, 2017 to October 20, 2016.

MOTION made by Mr. Keller, seconded by Mr. Standley, to approve HarbourVest's limited partnership agreement to allow for an increase in the maximum size of the offering from \$4.25 billion to \$4.75 billion and to shorten the marketing period from June 30, 2017 to October 20, 2016. In a voice vote by the members present, **Motion** passed 6-1 (Mr. Howell voted in opposition).

Mr. Reynolds recommended utilizing Wells Fargo's Government Money Market as the Fund's sweep vehicle rather than Wells Fargo's Public Institutional Bank Deposit Account because Segal Rogerscasey preferred the safety and security of the Government Money Market vehicle. The fees for the Public Institutional Bank Deposit Account were 20 basis points and the fees for the Governmental Money Market Fund were also 20 basis points.

MOTION made by Mr. Keller, seconded by Mr. Howell, to accept Segal Rogerscasey's recommendation to utilize Wells Fargo's Government Money Market as the Fund's sweep vehicle. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

Ms. Castronovo noted she had received the Wells Fargo custody agreement as well as pertinent documents from new investment manager IFM and that such needed to be executed by the Board. Mr. Templeton suggested the Chair, Vice-Chair and Board Secretary be authorized signers on all documents. Chair Shaw noted signers were typically the Chair and Treasurer with the Vice-Chair as an alternate.

MOTION made by Mr. Templeton, seconded by Vice-Chair Greene, to designate the Board Chair, Vice-Chair and Secretary as the authorized signers of all official Board documents. Chair Shaw amended the motion to include that a minimum of two (2) signatures would be required on all documents. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

Mr. Linn suggested a separate motion be made to allow the Pension Coordinator authorization to sign for Wells Fargo transactions, specifically benefit payments.

MOTION made by Mr. Templeton, seconded by Mr. Keller, to allow the Pension Coordinator authorization to sign Wells Fargo transactions. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

Chair Shaw stated she would like to have more discussion regarding authorization procedures for Wells Fargo transfers and benefit payments and would like to implement a policy. Chair Shaw asked Ms. Castronovo to provide information on the processes at the next Board meeting.

4. TREASURER'S REPORT (Mirtha Dziedzic) – Taken out of order

Ms. Dziedzic reported a decrease in the Fund's assets of \$2.3 million/-.078% (net of disbursements) from \$300.4 million on October 2, 2015 to \$298 million on June 30, 2016.

6. DISABILITY APPLICATION

a. Timothy Irwin

The Board discussed Mr. Irwin's disability application and the Director of Human Resources', Tammie Hechler, recommendation to the Board regarding Mr. Irwin's application.

Mr. Templeton said he did not feel the Board had enough medical information to make a proper decision regarding Mr. Irwin's disability and/or his ability to continue working for the City. Mr. Templeton stated that job descriptions of potential jobs the Director of Human Resources could place Mr. Irwin in be provided to all physicians making a determination as to whether or not Mr. Irwin could work. Mr. Templeton asked if the applicant was entitled to a non-work related disability even though he did not apply for it to which Mr. Linn responded that Mr. Irwin could be granted a non-duty disability benefit if the Board found he was not disabled from job-related duties.

Mr. Linn explained the Board's By-laws governing the Board's duties regarding disability applications.

Chair Shaw asked about the meeting notification process regarding disability applicants. Mr. Linn said the Board's By-Laws do not specifically address the notification process. Ms. Castronovo said she verbally notified Mr. Irwin of the meeting but she did not notify Mr. Irwin of the meeting in writing. Mr. Cassidy said he felt Mr. Irwin should be notified of the meeting in writing with specific mention of the applicant's right to attend the meeting and address the Board if he so desired.

Ms. Hechler said there were some vacant positions in which Mr. Irwin could be placed. Ms. Hechler added she thought the Board should follow the independent physician's advice and have Mr. Irwin examined by a psychiatrist. The Board in turn directed Ms. Castronovo to schedule an appointment for Mr. Irwin with a psychiatrist. The Board further instructed Ms. Castronovo to provide the psychiatrist with the independent physician's report as well as job descriptions for the vacant City positions in which Mr. Irwin might be qualified to work. Finally, Ms. Castronovo was instructed to ask the psychiatrist to determine whether or not Mr. Irwin could perform the job duties required in the vacant positions, with or without accommodations.

Mr. Templeton stated policies and procedures should be established regarding disability applications and specifically regarding turn-around times. The Board directed Ms. Castronovo to draft formal procedures inclusive of timelines for disability applications, both duty and non-duty.

7. LEGAL ISSUES (James Linn)

a. IRS Compliance Ordinance

Mr. Linn reported an amendment bringing the Fund into compliance with IRS regulations was close to completion and would be provided to the Board for review in a few weeks.

b. Litigation Update

Mr. Linn said to his knowledge there had not been any further action regarding the second lawsuit filed by the City regarding payment of benefits to Fund members people who became 100% vested on September 30, 2011 due solely to the freezing on such date of all Fund benefits. Chair Shaw stated she saw a City request for legal counsel for the case posted on BidSync.

Mr. Linn reported that regarding the City's lawsuit on payment of Supplemental Pension Distributions, the City Commission needed to adopt a resolution authorizing the dispute resolution process.

8. ADMINISTRATIVE ISSUES

a. City Commission Communication

Ms. Castronovo provided the Board with the City Commission Communication. Chair Shaw requested the Board to review the communication in order to provide input before it was sent to City officials.

MOTION made by Mr. Templeton, seconded by Mr. Keller, to accept the City Communication as written. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

b. Fund Administration, Preplanning – continued discussion

Ms. Castronovo reported that meetings had been scheduled for those interested from the Board to meet with staff from both the City's Police Retirement Fund and the Fire Retirement Fund to discuss their respective policies and procedures.

c. Board Secretary Selection

Mr. Keller nominated Mr. Standley as Secretary of the Board.

MOTION made by Mr. Keller, seconded by Mr. Howell, to appoint Mr. Standley as Secretary of the Board. In a voice vote by the members present, all members voted in favor. **Motion** passed 7-0.

A brief discussion followed regarding whether or not the Director of Human Resources should continue to attend the Board meetings. While Chair Shaw and Mr. Templeton felt that both the Directors of Human Resources and Finance should attend, Mr. Keller stated it would be difficult at times for them to attend due to their other commitments.

9. PUBLIC COMMENTS

Chair Shaw said she requested Ms. Castronovo to have a guest sign-in sheet at each Board meeting.

Public comment was heard from: Robert Strauss, Vice President - AFSCME Local 2432, 2734 Hollywood Boulevard, Hollywood, FL

10. TRUSTEE REPORTS, QUESTIONS AND COMMENTS

There was a discussion regarding the requirement of a guest sign-in sheet at public Board meetings. Chair Shaw stated she felt it was important to have a sign-in sheet for documentation and records purposes and at her other Board meetings everyone was required to sign-in.

11. PENSION COORDINATOR'S REPORT (Lisa Castronovo)

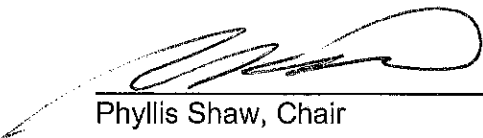
Ms. Castronovo reviewed various items of her June 16, 2016 memorandum to the Board (memo made part of these Minutes). Ms. Castronovo asked the Board if they would pay the \$100 fee as well as expenses incurred at an upcoming FPPTA Trustees School in order for FPPTA to reinstate Mr. Howell's CPPT (Certified Public Pension Trustee) designation. Discussion ensued.

MOTION made by Mr. Templeton, seconded by Mr. Keller, to pay the \$100.00 reinstatement fee and all expenses incurred at an upcoming FPPTA Trustee's School the reinstatement of Mr. Howell's CPPT designation. In a voice vote by the members present, **Motion** passed 4-3 (Chair Shaw, Vice-Chair Greene and Mr. Howell voted in opposition).

Ms. Castronovo suggested moving both the October and November 2016 meeting dates forward one week in order since the November meeting was scheduled for the Thursday immediately following the International Foundation's annual conference in Orlando which most Board members were attending. The Board agreed they would like to change the meeting dates and directed Ms. Castronovo to follow-up with the Board to arrange.

12. ADJOURNMENT

MOTION made by Vice-Chair Greene, seconded by Mr. Cassidy, to adjourn the meeting. In a voice vote by the members present, **Motion** passed 7-0. Meeting adjourned at 11:53 p.m.



Phyllis Shaw, Chair



Date